VZCZCXRO6097 OO RUEHCN RUEHGH DE RUEHIN #1327/01 2491009 ZNY CCCCC ZZH O 051009Z SEP 08 FM AIT TAIPEI TO RUEHC/SECSTATE WASHDC IMMEDIATE 9907 INFO RUEHBJ/AMEMBASSY BEIJING 8585 RUEHUL/AMEMBASSY SEOUL 9786 RUEHKO/AMEMBASSY TOKYO 0198 RUEHCN/AMCONSUL CHENGDU 2830 RUEHGZ/AMCONSUL GUANGZHOU 1415 RUEHHK/AMCONSUL HONG KONG 0031 RUEHGH/AMCONSUL SHANGHAI 2235 RUEHSH/AMCONSUL SHENYANG 6788 RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHINGTON DC RHHJJAA/JICPAC HONOLULU HI RUEKJCS/SECDEF WASHINGTON DC RHHMUNA/USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001327

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SUBJECT: MODEST RECOVERY IN THE POLLS FOR PRESIDENT MA, BUT STILL FACING PROBLEMS

Classified By: AIT Acting Director Robert S. Wang, Reasons: 1.4 (b/d)

11. (C) Summary: Following a rocky first two months, President Ma Ying-jeou made a modest recovery in public opinion polling in August, but more people are still dissatisfied than satisfied with his performance. Ma's early problems resulted from his inability to deliver on inflated campaign promises about rapid economic improvements. In addition, Ma suffered damage from missteps by his cabinet and from public perceptions that he was a weak leader. The cabinet has made fewer mistakes recently, Ma has adopted a more pro-active presidential style, and the price of gasoline has gone down, all factors in Ma's modest recovery. Ma and his administration remain vulnerable to strong public criticism, as shown by reactions to Ma's suggestion this week that it would take him many years to achieve his economic goals. End Summary.

Approval Numbers Stop Falling, But Recovery Limited

- 12. (SBU) According to Tai Li-an, Taiwan's most respected media pollster, President Ma Ying-jeou's public approval rating rose from 27 percent in mid-July to 36 percent in mid-August. This modest recovery followed Ma's disastrous nose-dive in the polls following his inauguration (58 percent in May, 38 percent in June, and 27 percent in July.) During the same period, dissatisfaction with Ma's performance peaked at 60 percent in July and then fell to 48 percent in mid-August.
- 13. (C) Roughly coinciding with President Ma's 100th day in office, many public opinion survey centers here did polling in mid- to late August on his performance and related issues. Leading pollster Tai Li-an, Director of the Global Views Survey Research Center, told AIT that polling by the different survey centers consistently showed public satisfaction with Ma's performance recovering modestly in August to where it had been in June. Tai predicted that the polling trend will probably now flatten out, showing less volatility than during the first three months of Ma's rule.
- 14. (C) According to Tai's polling, the public continues to support Ma despite their dissatisfaction with his performance. For example, 51 percent of the public have confidence in Ma's governance, and Ma's trust index is a high 54 percent. In a recent meeting with DPP Chairperson Tsai

Ing-wen, she also told us that Ma's "credibility" index remains as high as hers despite low "performance" figures. (By contrast, trust in former President Chen has fallen to 6 percent following new allegations of money laundering.) According to a poll conducted by the survey center of pro-Blue TVBS, most of those who voted for Ma last March would do so again.

Economic Problems and Leadership Missteps

- 15. (C) Economic problems and a series of missteps by the president and his cabinet contributed to the nose-dive Ma experienced from May to July. In separate meetings, Tai and TVBS Poll Center Director Wang Yeh-ding both stressed to AIT the importance of economic issues in how the public rates the president and the government. Both said the public pays far more attention to economic issues than to other topics such as cross-Strait relations and foreign policy.
- 16. (C) During the presidential campaign, Ma raised public expectations by promising to deliver rapid economic improvements if elected president. A week before the inauguration, jubilant senior KMT officials bragged to AIT that investors would quickly bring back the money they had sent overseas during the Chen era, which they predicted would boost Taiwan's stock market index from 9,300 to 15,000 points. In reality, however, the Ma administration confronted an increasingly difficult economic situation after the inauguration, including rising oil prices and a deepening global economic downturn. The stock market went down, not

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- up; Ma was unable to deliver on his campaign promises; and the public's disappointment was reflected in growing dissatisfaction with Ma's performance.
- ¶7. (SBU) During the campaign, the KMT stressed it was "already prepared" to run the administration. After the inauguration, however, the new cabinet fumbled a series of issues, including its handling of a gasoline price rise, its response to storm damage to crops, and a seemingly contradictory approach to a controversial highway project. Political commentators began questioning whether the new cabinet was in fact "already prepared."
- 18. (C) Ma's apparent weak leadership also contributed to his decline in the polls. Ma's initial line was that the constitution required him to stay on the "second line" on economic and other domestic issues. Consequently, he remained in the background while his premier and other cabinet members were taking the heat on controversial issues. This of course increased the already existing perception that Ma was a weak leader who could not handle crises. Tamkang University Professor Edward Chen told AIT that one of Ma's problems was that he over-stressed the rule of law. However, if rule of law is all that is needed, then civil servants could rule a country. In actuality, the people expect the president they elect to provide leadership. Acknowledging that Ma is not an inspiring leader, Chen offered that Ma's "weakness" may in fact be his strength. (Comment: Chen did not explain exactly what he meant, but it is possible the Taiwan people may prefer a lower key leader now after two strong-willed, highly controversial presidents -- Lee Teng-hui and Chen Shui-bian.)
- 19. (C) Taipei City official and Professor Emile Sheng told AIT that Ma damaged his standing with his supporters by trying to please everybody, for example, appointing several people with pan-Green connections to prominent government posts. Green supporters doubted Ma's sincerity, while Blue supporters were disappointed at Ma's seeming disregard of their wishes and interests. As many as half of the people who voted for Ma were dissatisfied with his performance, Sheng suggested. Ma, who cannot win the support of all the people, should work to increase his support to 65 percent,

not 100 percent, of the electorate. According to Sheng, Ma seems to have learned a lesson and is now making adjustments and paying more attention to the KMT and its supporters.

Slight Recovery

- 110. (C) Identifying reasons for the early decline in Ma's approval rating is easier than explaining his current modest recovery. In July, Ma dropped his passive presidential style and talk about standing on the "second line." He began playing a pro-active role, for example, in the government's typhoon response efforts. Tai Li-an and Wang Yeh-ding both cited fewer missteps by the administration in recent as a factor in the improved polling numbers for Ma and his administration. Tai had another simple explanation: reductions in the price of gasoline. Some commentators have argued that Ma has benefited from the shift in media attention to the new Chen scandal. Tai disagreed, pointing to a tracking poll that showed no improvement in Ma's numbers following the scandal revelations.
- 111. (C) The past several weeks have been a relatively quiet period for the new administration, with the media largely focusing on the Chen Shui-bian scandal. This week, however, Ma managed to generate a new controversy by suggesting in a press interview that he would need until 2016 to meet the economic goals he promised in his campaign. That, plus a further drop in the stock market and a seemingly callous response by the Economic Minister to a question about the plight of investors, one of whom committed suicide, has fueled a new round of criticisms. Ma has apologized and tried to walk back his press interview, but this incident reveals that the Ma administration continues to function with a very thin margin for error. Tai pointed out the particular vulnerability of cabinet members, who can be changed if the

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political heat becomes too intense.

Comment

112. (C) Although Ma and his advisors are clearly concerned about his sharp drop in popularity so quickly after the inauguration, the real test for the administration will not come until the county and city elections in December 2009. Ma will be hoping to see concrete improvements in the economy over the next year to bolster his party's standing by then. If not, it would be very hard for the KMT to campaign on economic issues, their traditional strong card. WANG